RFP BANKING 2020-01, NH PDIP

Request for Proposals for Investment Management Services, Recordkeeping, Administrative Services and Custodial Services of the New Hampshire Public Deposit Investment Pool

Issued by:
The New Hampshire Banking Department, Bank Commissioner
and
The Public Deposit Investment Pool Advisory Committee

Issued: January 21, 2020

Question Deadline:	Monday, February 3, 2020	Time: 3:00 PM EST
Submission Deadline:	Friday, February 21, 2020	Time: 3:00 PM EST

Proposal Submission Location:

New Hampshire Banking Department
Office of the Commissioner
ATTN: RFP 2020-01, NH PDIP
53 Regional Drive, Suite 200
Concord, NH 03301

legal@banking.nh.gov

TABLE OF CONTENTS

1. Definitions…….....1

2. Introduction…….2

3. Proposal Process ……..……...3

4. Proposal Requirements……5

5. Additional Information……..11

6. Proposal Review Process…….....13

7. Evaluation Criteria…….....13

8. Notice of Contract Selection……..15

8. Exhibits……..16

Exhibit A	Certification
Exhibit B	Ban 900 Rules
Exhibit C	Investment Policy and Objectives
Exhibit D	State of New Hampshire, Form Number P-37
Exhibit E	Reference Questions
Exhibit F	RSA 383:22 et seq.

1. DEFINITIONS

Committee: The Advisory Committee as defined under NH RSA 383:24.

Commissioner: The Banking Commissioner of the State of New Hampshire duly appointed, the Honorable Gerald H. Little.

Net Asset Value ("NAV"): A valuation consistent with the provisions of a 2a7-like pool as defined by Statement No. 31 of the Governmental Accounting Standards Board (GASB). The Pool seeks to preserve and maintain the value of its investment at $1.00 per share.

Participants: Those investing in the Pool as authorized under NH RSA 383:22, I.

Pool: The New Hampshire Public Deposit Investment Pool ("NH PDIP") as established pursuant to NH RSA 383:22 et seq.

Proposal: The submission to the commissioner and the committee of a response to the RFP by a Proposer.

Proposer: Duly qualified Providers who submit a Proposal.

Provider: The entity or entities that provide services to the Pool by contract, including the lead or submitting provider and any subcontracted providers, those contracted pursuant to this RFP or under the current service contract(s).

Representative: The designated contact person for the Proposer.

Request for Proposals ("RFP"): This solicitation of proposals by the Commissioner and the Committee.

Selected Proposer: The Proposer who is selected by the Commissioner and the Committee.

2. INTRODUCTION

2.1 Purpose of the RFP

The Commissioner and the Committee, on behalf of the Pool, are seeking competitive proposals from qualified Providers to provide investment advisory services, administrative and investment management services, member services, custodial services, auditing services and other services appropriate for the successful operation and administration of the Pool. This RFP is designed to provide interested Proposers with sufficient basic information to submit proposals meeting minimum requirements. It is not intended to limit a proposal's content or exclude any relevant or essential information.

2.2 Background Information

The NH PDIP was established in New Hampshire in 1993 pursuant to RSA 383:22, et seq. The mission of the NH PDIP is to offer all New Hampshire public entities an option for depositing and investing funds in a program that features safety, liquidity, and a competitive return. As of December 1, 2019, the year-to-date average balance in the Pool was $245,200,671.30 with 498 Participants. Participants consist of 160 school districts; 121 trusts; 32 water, sewer and waste services; 31 libraries; and 24 city and counties; among other public entities. Proposers are advised to visit and review the Pool website for an up-to-date view of products and services available to Participants: http://nhpdip.com/home/.

Since August 2015, the Pool has received investment management services including advisory, custodial, client, auditing and administrative and recordkeeping services through a contract with PFM Asset Management LLC ("PFM"). Custodial services have been subcontracted to U.S. Bank National Association. Auditing services have been provided by RSM US LLP through agreement with PFM subject to approval by the Commissioner and Committee.

Throughout the term of the contract resulting from this RFP, the investment firm will obtain and maintain a credit rating for a 2a7-like fund that is satisfactory to the Commissioner and the Committee from a Nationally Recognized Statistical Ratings Organization. The investment firm will be granted the discretion and authority to execute investment transactions subject to the adopted Pool Investment Policy and Objectives (See Exhibit C) and other applicable terms and conditions of the proposal, contract and addenda. Additionally, the Provider shall choose, with the approval of the Commissioner and the Committee, a qualified auditor to perform an annual audit of the Pool in accordance with applicable and accepted auditing standards, requirements, and disclosure for government investment pools.

3. PROPOSAL PROCESS

3.1 Proposal Timetable

Tuesday, January 21, 2020	RFP packages are available to Proposers
Monday, February 3, 2020 by 3:00 PM (EST)	Proposer questions submission deadline
Monday, February 10, 2020 at 3:00 PM (EST)	Responses to Proposer questions posted
Friday, February 21, 2020 by 3:00 PM (EST)	Proposals due to New Hampshire Banking Department, Office of the Commissioner

Proposals are considered received as follows:

(a) U.S. Mail, delivery service, or hand delivery to the Banking Department upon the date and timestamp placed on the submission envelope by the Banking Department upon receipt; and

(b) Electronic ("e-mail") submission based on the date and timestamp in receiver's e-mail (legal@banking.nh.gov). E-mails submissions over 20 megabytes will not be accepted. Proposers may send multiple e-mails if a Proposal consists of more than 20 megabytes. In such a case, the Proposer will identify that the Proposal consists of more than one e-mail, noting the total number of emails. All e-mails must be received by the submission deadline.

3.2 Proposer Questions

Pre-proposal questions related to this RFP must be submitted in accordance with the schedule set forth in the Proposal Timetable in Section 3.1 above. Responses to questions will be posted in accordance with the schedule set forth in the Proposal Timetable in Section 3.1 above on the Banking Department's website located at:

https://www.nh.gov/banking/bank-cu-trust/nh-public-depst-invest-pool.htm

All inquiries, pre-proposal questions, and requests for clarification and/or additional information shall be in writing via email, citing the RFP page, section, and paragraph, and submitted electronically to the following employee of the Commissioner:

Chiara Dolcino
New Hampshire Banking Department
legal@banking.nh.gov

All inquiries shall state in the subject line of the e-mail "Inquiry Regarding RFP Number 2020-01."

Other than the employee of the New Hampshire Banking Department listed above, Proposers shall make no unsolicited contact with any of the New Hampshire Banking Department personnel regarding this RFP.

3.3 Communications Prohibited

Except as stipulated above, there shall be no communication relative to the RFP or the RFP process by a Proposer or anyone acting on behalf of the Proposer. The Proposer shall have no communications with any of the following:

(a) Commissioner;

(b) Advisory Committee Member;

(c) Member of the Commissioner's staff;

(d) Person or entity in a position to approve or review a Proposal; or

(e) Person in position to influence the decision of the Commissioner and/or a Committee Member.

Any prohibited communication shall be grounds for disqualification of a Proposal. The Commissioner and Committee are not bound by oral or written information released prior to the issuance of this RFP.

3.4 Proposal Outline

The following required materials must be submitted to the Commissioner in order for a proposal to be complete:

A. Transmittal Letter
B. Certification (Exhibit A)
C. Table of Contents
D. Proposal Details
    i. Substantive Requirements
    ii. Program Costs and Management Fees
    iii. Proposer's Background Information
    iv. Custodial Services
    v. Insurance Coverage
E. Reference List
F. Draft Contract

3.5 Proposal Submission

Each Proposer must submit:

1. A single Proposal as the lead Proposer and on behalf of any and all sub-agents or subcontractors that will provide the services required by the RFP. The original Proposal shall be bound and marked as "Master" and identified as follows:

    State of New Hampshire Banking Department
    Response to RFP Number 2020-01
    Public Deposit Investment Pool Proposal

2. Twelve (12) bound copies of the Proposal. These copies shall be marked "Copy."
3. One (1) electronic version of the Proposal sent to Legal@banking.nh.gov.

All of the hard copies shall be placed together and addressed to:

New Hampshire Banking Department
Office of the Commissioner
ATTN: Response to RFP Number 2020-01
53 Regional Drive, Suite 200
Concord, NH 03301

The electronic version of the Proposal shall be sent to legal@banking.nh.gov, with the Subject Line of "Response to RFP Number 2020-01".

The original proposal, plus twelve copies, and one electronic copy shall be submitted in accordance with the schedule set forth in the Proposal Timetable in Section 3.1 above. No extensions will be granted. Faxed copies will not be accepted. The responsibility for submitting a response to this RFP by the stated time and date will rest solely and strictly with the Proposer.

3.6 Compliance with Specifications

Unless disclosed in accordance with Section 3.7 of this RFP (Exhibit A Certification), the Commissioner and the Committee shall have the right to assume that all Proposals conform to the specifications outlined in this RFP. The Proposer is responsible for seeking clarification of any ambiguity, conflict, discrepancy, omission, or error in this RFP before submitting a response. The Provider will be bound by all requirements of the RFP except those disclosed in the Certification (Exhibit A) and absent such disclosure, the Proposer waives any right to assert an exemption to any RFP requirements.

3.7 Exceptions to RFP Requirements

Exceptions to the RFP requirements must be summarized with a full explanation on the Certification (Exhibit A).

4. PROPOSAL REQUIREMENTS

Proposals are required to contain all information listed in this section as follows. Failure to respond to all questions may lead to the elimination of the Proposer from consideration. All terms included in a Proposal must remain valid until September 1, 2020.

A. Transmittal Letter

A transmittal letter, no longer than two (2) pages which includes the following information:

1. Identification of the lead submitting Proposer (agent) and subcontractors (sub-agents) if any.
2. Identification of the Representative, including contact information for that individual.
3. A brief statement of the services to be provided and by whom.
4. A brief summary of the Proposer's qualifications to perform this type of engagement.
5. A statement confirming this proposal shall remain valid for the required period after the closing date for receipt of proposals.

6. Certification that the Proposer and any subcontractors are equal opportunity employers.
7. Identification of any apparent conflicts of interest in providing these services to the Pool.
8. Certification that the individual signing the proposal has the authority by the governing board of the lead Proposer and agency relationship with all subcontractors to bind the proposing parties to the terms and conditions set out in the RFP and proposal documents.
9. The signature of the person authorized to contractually obligate the Proposer to the scope, conditions, requirements, terms, and pricing contained in the proposal.

B. Certification of Compliance with Requirements of the RFP

Exhibit A, Certification, must be completed.

C. Table of Contents

The table of contents should include clear and complete identification of the materials submitted by section and page number.

D. Proposal Requirements

i. Substantive Requirements

The Proposer must address the following substantive requirements in its Proposal. Failure to meet a substantive requirement will constitute an exception to the RFP and must be fully disclosed and explained on Exhibit A as outlined above.

Pool Management

1. The Proposer will follow the requirements for a "2a7-like pool" as defined by Statement No. 31 of the Governmental Accounting Standards Board (GASB).
2. The Proposer will preserve and maintain the value of the Pool investment at $1.00 per share.
3. The Proposer will conduct periodic cash flow analyses.
4. The Proposer will maintain pool historical records, forecasts and comparisons.
5. With the advice and consent of the Commissioner and the Committee, the Proposer will recommend, establish, and track a performance benchmark or benchmarks appropriate to the Pool's objectives.
6. The Proposer will provide compliance with applicable laws and the investment policy.
7. The Proposer will assume all data-management responsibilities for the Pool including providing timely, accurate data transmission.
8. If chosen as the Provider, the Proposer will be responsible for collecting the reasonable administrative costs the Commissioner may incur in administering the Pool during the period of the contract.

Duties to the Commissioner and Committee

9. The Proposer will meet quarterly or as necessary via telephone or in person with the Commissioner and Committee.
10. The Proposer will prepare and present reports at least quarterly, or more often if required, to the Commissioner and Committee.
11. The reports to the Commissioner and Committee will cover at a minimum the following areas and address their impact on the portfolio:
    a. Economic forecasts;

b. Investment strategy and risks;
c. Pool and participation levels;
d. Status and resolution of any participant issues;
e. Results of audits or any other internal or external evaluations material to the Pool's financial position and operations; and
f. Other information material to the Pool's safety and soundness as the Commissioner and Committee may reasonably require from time to time.

12. The Proposer will review proposed new products or propose alterations to investment policy or objectives when appropriate and submit them to Commissioner and Committee for approval.
13. The Proposer will designate a sole point of contact (and make reasonable provisions for a backup contact) should the Commissioner and Committee need to communicate directly with the Proposer.

Client Services

14. The Proposer will designate a sole point of contact (and make reasonable provisions for a backup contact) to regularly meet with Participants of the Pool in person or over the phone. It is not required that the identified sole point of contact need to be the same individual as identified in 4(D)(i)(13).
15. The Proposer will develop and provide Participant account application and agreement forms and processes.
16. The Proposer will develop a marketing and information plan to communicate periodically with prospective and current plan Participants.
17. The Proposer will assist participants with the completion of enrollment forms and verify the completeness of the forms.
18. The Proposer will distribute enrollment packages on request.
19. The Proposer will provide enrollment counseling to potential participants who wish to discuss the Pool in person or over the telephone.
20. The Proposer will allow Participants to have an unlimited number of accounts or sub-accounts.
21. The Proposer will allow participants to invest funds by check, Automated Clearing House ("ACH") or Fedwire Funds Services ("Fedwire").
22. The Proposer will allow participants free unlimited transactions on any business day.
23. The Proposer will allow Participants the following: no minimum account balances, no minimum transaction amounts, and no minimum transaction balances.
24. The Proposer will provide for and allow Participants to make transactions using the following: a secure client data connection, a toll-free telephone, or fax.
25. The Proposer will establish a daily cutoff time for processing transactions.
26. The Proposers will credit or debit, as appropriate, all transactions that meet the daily cutoff time on that same day.
27. Participants will earn daily interest.
28. The Proposer will provide both a toll free number and a secure web portal for participants to access the following information and/or conduct the following transactions:
    a. Account and sub-account name and number;
    b. Account balances;
    c. Transaction date(s);
    d. Transaction type(s);
    e. Dollar amount of transaction(s);
    f. Resulting account value;
    g. Interest reinvested;
    h. Month-to-date and Year-to-date interest;
    i. Daily, monthly, and effective yield;

j. A statement of investments for the full Pool Portfolio;
k. Historical yield information;
l. Make contributions; and
m. Make withdrawals.

29. Participants will have full access to the secure website portal for participant representatives so authorized to make account transactions.
30. Participants will have a read-only access to the secure website portal for participant representatives so authorized to view account information.
31. The toll-free telephone number will be available at least every business day from 8:00 AM to 5:00 PM (EST).
32. The Proposer will supply the following account information in a monthly statement to each Participant:
    a. Monthly and Fiscal Year to Date ("FYTD") for each account and for the aggregate total of all accounts:
        i. Beginning and ending balances;
        ii. Average daily balance;
        iii. Contributions;
        iv. Withdrawals; and
        v. Income earned.
    b. Monthly and Fiscal Year to Date ("FYTD") for each account:
        i. Average Daily Rates; and
        ii. Average Annualized Yield.
    c. Daily Rate Sheet
    d. Holdings broken down by each obligor including the amount, maturity date, yield/rate, and value.

33. The Proposer will mail the monthly statements to each Participant via U.S. Mail.
34. The Proposer will allow each participant to opt-in to receive emailed monthly statements in place of statements by U.S. Mail.
35. The Proposer will email monthly statements to Participants opting-in within two (2) business days of the last day of the month.
36. When emailing Participants' financial information, the Proposer will use encrypted email.
37. The Proposer will give participants the option of receiving transmission confirmation via either email or telephone.
38. The Proposer will give Participants the option of receiving liquidated investment proceeds via either paper check or wire transfer (Fedwire or ACH) to the participant's local depository bank.
39. The Proposer will ensure the accuracy of Participants' data including enrollment, deposit, and withdrawal activity, using audits and other periodic account reviews.
40. The Proposer will meet at least annually with the Pool Participants.

ii. <u>Program Costs and Management Fees</u>

Program Costs:

The program administrator for the Pool is responsible for all costs associated with the operation and administration of the Pool, which includes, but is not limited to:

- Portfolio Management and Reporting
- Portfolio Accounting and Reporting

- Credit/Risk Management and Compliance
- Custodial Services
- Audit Services
- Legal Services
- Pool Credit Rating
- Sales and Marketing
- Participant Servicing and Training
- Travel and Entertainment

Management Fees:

The program administrator shall guarantee that the proposed fee structure be the maximum fee charged during the full term of the contract.

Describe the fee structure proposed which must include:

1. The proposed fee (expressed in basis points) and how the fee will be calculated;
2. How often the fee will be paid to the program administrator; and
3. If fees can be waived or abated and under what circumstances that may happen.

The program administrator understands and agrees that even if fees are waived or abated that the program administrator is still responsible for all costs associated with the Pool.

iii. Background Information

The Proposer must indicate whether it has been:

1. Convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony;
2. Charged with any felony;
3. Convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to committing or conspiring to commit a misdemeanor involving: (i) financial services or a financial services-related business, (ii) fraud, (iii) false statements or omissions, (iv) theft or wrongful taking of property, (v) bribery, (vi) perjury, (vii) forgery, (viii) counterfeiting, or (ix) extortion;
4. Found by any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization to have made a false statement or omission or been dishonest, unfair or unethical;
5. Found by any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization to have been involved in a violation of a financial services-related regulation or statute; and/or
6. Found by any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked or restricted.

The Proposer must provide the following information:

7. Demonstrate that the Proposer is duly registered as authorized to conduct business in the State of New Hampshire and furnish a current Certificate of Good Standing from the Office of the Secretary of State of New Hampshire.
8. Indicate whether you will pay a finder's fee to any third party for business related out of this account.
9. Does your firm act as a broker or as a primary dealer in securities or receive another form of additional compensation (including soft dollars) for client's transactions aside from the direct fee paid by clients?
10. Indicate whether the Proposer is a registered investment advisor under the Investment Advisor's Act of 1940.
11. Indicate whether the Proposer has at least five years of experience in managing portfolios for public funds and governmental entities including NAV stable dollar, high liquidity funds and longer term portfolios.
12. Please indicate whether the Proposer has at least $2 billion in assets under management.
13. Does the Proposer have a policy in place to handle fluctuating cash flows in order to maintain the $1 NAV.
14. Does the Proposer have a policy in place to address the current low interest rate environment, manage the NH PDIP portfolio NAV of $1, ensure principal, and remain profitable.
15. In the event that money market reform is applicable to 2a7–like funds (i.e., if maintaining a NAV of $1 is no longer permissible), does the Proposer have a policy in place to structure the Pool differently.

iv. Custodial Services

The Provider must arrange for custodial services for the Pool prior to submission of their Proposal. The Proposer must address the following requirements for custodial services in its Proposal. Failure to meet a requirement will constitute an exception to the RFP and must be fully explained on Exhibit A as outlined above.

1. The custodian must be a third party that is not affiliated with the Provider.
2. The custodial services must include:
    a. A process for the daily balancing of the custodial activity and records with the investment advisor.
    b. A system for accepting and delivering securities against payment, also known as "DVP," in accordance with instructions from the Provider.
    c. A system for receiving wires, ACH transfers and checks.
    d. A system for sending outgoing wires, ACH transfers, and checks.

Additionally, the Proposer must indicate whether the custodian has been:

3. Convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony;
4. Charged with any felony;
5. Convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to committing or conspiring to commit a misdemeanor involving: (i) financial services or a financial services-related business, (ii) fraud, (iii) false statements or omissions, (iv) theft or wrongful taking of property, (v) bribery, (vi) perjury, (vii) forgery, (viii) counterfeiting, or (ix) extortion;
6. Found by any state or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization to have made a false statement or omission or been dishonest, unfair or unethical;
7. Found by any state or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization to have been involved in a violation of a financial services-related regulation or statute; and/or

8. Found by any state or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked or restricted.

v. Insurance Coverage

The Proposer must include the following insurance provisions and documentation in its Proposal.

1. As the Proposer, certify you have errors, omissions, and fidelity bond coverage and provide a current valid certificate of insurance.
2. The custodian must carry an errors and omissions insurance policy and fidelity bond. The Proposer shall provide a current valid certificate of insurance for the custodian.

E. Reference List

Provide a list of at least five (5) governmental pool clients in the United States that receive investment management services, including management advisory, custodial, administration, marketing, transaction processing, record-keeping, communications, audit and transaction services, from your firm within the past five (5) years. Please also include a list of products and services provided, a description of assets under management, length of service, contact names, titles and other relevant information for those accounts. Please see Exhibit E, Reference Questions, for a list of questions that will be asked of the references.

F. Draft Contract

The Proposer must submit a draft contract with the Proposal. The contract term shall commence on June 22, 2020. The draft contract must contemplate a three-year contract term with two automatic renewals of the contract. The Commissioner shall have one (1) option to renew (the "Renewal Option") the contract for a term of six (6) months, if a successor contract is not signed and in effect upon the expiration of this contract. The contract shall be entered into with the State of New Hampshire Bank Commissioner (the "Commissioner"), including any successors or assigns, with the approval of the Advisory Committee.

The Selected Proposer shall sign a mutually agreed upon contract within three (3) weeks of selection or a mutually agreed upon length of time. Additionally, the Selected Proposer must complete, sign, and agree to State of New Hampshire, Form Number P-37 (Exhibit D).

The state of New Hampshire reserves the right to modify its standard Form Number P-37 in the course of negotiations with the Selected Proposer.

5. ADDITIONAL INFORMATION

5.1 Cost Liability

The State of New Hampshire, the Committee, and the Pool assume no responsibility or liability for services provided or costs incurred by the Proposer to prepare or submit proposals or for samples included in response to this RFP, or in making any requested oral presentation regarding this RFP, or for work performed prior to the effective date of any resulting contract.

5.2 Proposal Understanding

By submitting a proposal, a Proposer agrees and assures that the specifications are adequate and the Proposer accepts the terms and conditions of this RFP. Any exception to these terms and conditions must be noted in the proposal. The Commissioner and the Committee reserve the right to reject any or all Proposals based on the exceptions presented, without obligation to communicate or negotiate with the Proposer.

5.3 Cancellation

The Commissioner and the Committee may, upon determining that no satisfactory Proposals have been received for any particular service, decide to postpone or cancel this RFP.

5.4 Rights to Refuse, Reject, and Proceed to Next Respondent

The Commissioner and the Committee reserve the right to postpone or cancel this RFP and to reject any or all Proposals. The Commissioner and Committee reserve the right to refuse to execute a contract with a Proposer found to be non-responsive by the Commissioner and Committee. If no agreement is reached with a Proposer within a period of time considered reasonable by the Commissioner and Committee, the Commissioner and Committee may terminate negotiations and select another Proposer, issue a new RFP, or take any other action consistent with the Pool's best interests. No Proposer shall have any rights against the Pool or the Commissioner and Committee arising from such action.

5.5 No Obligation to Contract

The Commissioner and the Committee are not obligated to award a contract after issuing this RFP. This RFP does not constitute an offer or a contract with the Commissioner, the Committee, or the state of New Hampshire. A contract shall not be deemed to exist until Proposals are reviewed and evaluated, negotiations with the Provider have been authorized, and a contract has been executed by the parties and approved by the state of New Hampshire Attorney General.

5.6 Right to Reject Personnel – Duty to Notify

The Commissioner and Committee reserve the right to accept or reject personnel designated by the Proposer for program management or service delivery, both as a condition of the initial contract and throughout the term of the contract. The Selected Proposer and providers must notify the Commissioner and Committee of all changes in the personnel assigned to this engagement.

5.7 Requests for Additional Information

The Commissioner and Committee reserve the right, during this process, to request additional information. Firms will be given at least five (5) working days from notification to provide requested information.

5.8 Public Record

All Proposals become property of the state of New Hampshire. The information contained in Proposals submitted to the Commissioner and the Committee for consideration will be held in confidence until all evaluations are concluded and a contract has been approved.

Under the Right to Know Law, RSA 91-A, the contents of all Proposals, correspondence, addenda, memoranda, working papers, or any other document submitted or created by the Commissioner, Committee or staff of the

New Hampshire Banking Department in conjunction with the RFP process, are subject to public disclosure unless confidential by law. Therefore, the Commissioner and the Committee makes no representation that it can or will maintain the confidentiality of such information.

Proposers must specifically identify portions of their Proposal that they deemed to be confidential, proprietary information, or trade secrets, or otherwise confidential by law, and provide justification why the material is not subject to disclosure upon request under RSA 91-A. The Commissioner and the Committee reserve the right to reject any request for confidentiality.

6. PROPOSAL REVIEW PROCESS

The Commissioner and the Committee will conduct an objective review of the Proposals received in response to this RFP process. The Commissioner and the Committee will eliminate from consideration any Proposals that do not include complete responses as described in Section D, Proposal Details of this RFP. The objective review will be based on the demonstrated capabilities of the Proposer in relation to the needs of the Pool as set forth in this RFP. The merits of each Proposal will be evaluated individually according to the objective scoring criteria described below.

The Commissioner and the Committee plan to use the following process in evaluating Proposals:

- Initial screening;
- Preliminary scoring of the Proposals and reference checks;
- Interviews/Oral Presentations; and
- Final evaluation of Proposals

The Commissioner and the Committee reserve the right to omit any planned evaluation step if, in the Commissioner's and the Committee's view, the step is not needed.

6.1 Interview Process

Interviews may be conducted as needed. Preliminary scores from the initial evaluation of the Proposals will be used to select Proposers to invite to interviews. The purpose of the interviews is to clarify and expound upon information provided in the written Proposals. Proposers are prohibited from altering the basic substance of their Proposal during the interview.

A structured agenda will be used for interviews to ensure standard coverage of each invited Proposer. Information gained from interviews will be used to refine scores assigned from the initial review of the Proposals.

6.2 Final Evaluation

The Commissioner and the Committee will conduct final evaluations as a culmination of the entire process of reviewing Proposals and information gathering.

7. EVALUATION CRITERIA

The Commissioner and the Committee will score each Proposal in accordance with this section. Points will be distributed among the sections of the RFP and each section will be assigned a weighted percent of the overall score as follows:

Criteria **See Section 4 of RFP**	**Method of Scoring**	**Total Points Available**	**Overall weighted percentage**
A. Transmittal Letter	Each section is worth 1 point for a total of 9 points	9 points	3%
B. Certification (Exhibit A)	Completion of certificate = 1 point No exceptions = 8 points For each exception, deduct 2 points. The Proposer can receive up to 2 points back per exception if the Commissioner and the Committee find the explanation/response to the exception to be a reasonably feasible alternative to the substantive requirement.	9 points	5%
C. Table of Contents	Completion of Table of Contents = 1 point	1 point	2%
D. Proposal Details, (i) Substantive Requirements	40 Requirements at 1 point each	40 points	15%
D. Proposal Details, (ii) Program Costs and Management Fees	Question 1 and 2: Sliding Scale – The lowest overall proposed fee (taking into account amount of fee and frequency of charge) will be awarded 10 points; the second lowest fee will be awarded 9 points; and so on. Question 3: Sliding Scale – The highest amount of fees waived or abated will be awarded 10 points; the second highest amount of fees waived or abated will receive 9 points; and so on.	20 points	15%
D. Proposal Details, (iii) Background Information	15 Requirements at 1 point each Answers to questions 1 through 6 indicating that the Proposer has been charged or convicted of a crime or had findings by a regulatory agency will receive zero (0) points.	15 points	10%
D. Proposal Details, (iv) Custodial Services	8 Requirements at 1 point each Answers to questions 3 through 8 indicating that the Proposer has been charged or convicted of a crime or had findings by a regulatory agency will receive zero (0) points.	8 points	15%
D. Proposal Details, (v) Insurance Coverage	Question 1: Sliding Scale – The highest amount of insurance (taking into account the deductible) will be awarded 5 points; the second highest amount of insurance	10 points	10%

	will be awarded 4 points; and so on. Question 2: Sliding Scale – The highest amount of insurance (taking into account the deductible) will be awarded 5 points; the second highest amount of insurance will be awarded 4 points; and so on.		
E: References	5 references provided = 1 point References provided reasonably favorable responses to questions posed = 6 points	7 points	15%
F: Contract	Draft Contract = 1 point Agrees to P-37 = 1 point	2 points	10%
		TOTAL:	**100%**

8. NOTICE OF CONTRACT SELECTION

If a Proposer is selected, the Commissioner and the Committee will notify the Selected Proposer in writing of their selection and the Commissioner's and the Committee's desire to enter into a contract. In the event a contract is not successfully executed in a timely manner, the Commissioner and the Committee may recommend another Proposer. The scope of services and fees for the proposed contract may be negotiated based upon the merit of the application as evaluated by the Commissioner and the Committee.

EXHIBIT A CERTIFICATION

State of New Hampshire Public Deposit Investment Pool

Please complete the following certification:

Any exceptions **MUST** be documented below.

☐ YES, I have read, understand and agree to comply with the minimum requirements specified in this Request for Proposal. Checking "YES" indicates acceptance of all RFP requirements.

☐ NO, I cannot comply with all the minimum requirements specified in this Request for Proposal. Checking "NO" denotes non-compliance with one or more requirements. Any such exception from the RFP requirements shall be identified below.

SIGNATURE _____

RFP Exception Summary Form

Attach additional sheets if necessary using the same format.

RFP REQUIREMENT (include RFP section reference)	**REQUESTED MODIFICATION of RPF REQUIREMENT**	**REASON for EXCEPTION from RFP REQUIREMENT**

EXHIBIT B BAN 900 RULES

DOC. # 12970 (EFF. 1-9-20) EMERGENCY RULE EXPIRES: 7-7-20

CHAPTER Ban 900 PUBLIC DEPOSIT INVESTMENT POOL

PART Ban 901 PURPOSE

Ban 901.01 Purpose. The purpose of these rules is to implement the provisions of RSA 383:22 et seq., relative to the creation of a public deposit investment pool.

PART Ban 902 DEFINITIONS

Ban 902.01 "Commissioner" means the New Hampshire banking department bank commissioner.

Ban 902.02 "Committee" means the public deposit investment pool advisory committee established by RSA 383:24.

Ban 902.03 "Department" means the New Hampshire banking department.

Ban 902.04 "Pool" means the public deposit investment pool established by RSA 383:22.

Ban 902.05 "Proposal" means the submission to the commissioner and the committee of a response to the RFP by a proposer.

Ban 902.06 "Proposer" means a federally registered or federally exempt from registering investment manager or investment advisor who submits, or plans to submit, a proposal to administer, manage and advise the pool.

Ban 902.07 "Request for proposal (RFP)" means the solicitation of proposals from investment managers and investment advisors by the commissioner and the committee-pursuant to RSA 383:22, II.

PART Ban 903 REQUEST FOR PROPOSAL

Ban 903.01 Obtaining the RFP. A proposer may obtain the RFP by:

(a) Writing to:

Commissioner
New Hampshire Banking Department
53 Regional Drive, Suite 200
Concord, NH 03301

Attn: NH PDIP RFP; or

(b) Going online at http://www.nh.gov/banking/.

PART Ban 904 FILING A PROPOSAL

Ban 904.01 Filing a Proposal. Proposers shall submit a proposal in the manner and within the time period set forth in the RFP.

Ban 904.02 Late-filed Proposals. Proposals received after the date described in Ban 904.01 shall not be considered.

Ban 904.03 Inquiries. Inquiries relative to the RFP shall be directed to the commissioner.

Ban 904.04 Request for Additional Information. Proposers shall, upon request, provide the commissioner and the committee with additional information to assist the commissioner and the committee in their evaluation of the proposal.

PART Ban 905 CRITERIA FOR REVIEWING PROPOSALS

Ban 905.01 Criteria.

(a) The criteria utilized by the commissioner and the committee to evaluate the proposals shall be set forth in the RFP and at a minimum include that the proposer:

(1) Is an equal opportunity employer;

(2) Possesses an understanding of, and the ability to execute, the pool's investment objectives and constraints;

(3) Demonstrates a commitment to assign a qualified team of individuals to the pool;

(4) Shows:

a. Recommendations for management approaches for the pool;

b. Additional investment or financial services available, or offered and available through affiliation;

c. Adequacy of financial controls and protection against loss; and

d. The potential success of a marketing plan;

(5) Submits a clear and complete response to the RFP;

(6) Proposes fees and compensation; and

(7) Complies with applicable federal and state laws and regulations including those relating to safeguards that secure data and insurance.

(b) Other criteria may be utilized by the commissioner and the committee to evaluate proposals, depending on the particular RFP.

(c) Such criteria in (b) above may include, but not be limited to, a proposer who:

(1) Possesses:

a. Resources with qualifications such as, but not limited to, personnel to execute the pool's objectives;

b. Experience in managing local government operating and capital funds and providing the administrative support for such management;

c. Experience in managing the mechanics of processing paperwork and electronic data;

d. Administration and technology required for processing paperwork and electronic data related to pool operations; and

e. The ability to generate accurate and complete reports related to the pool; and

(2) Demonstrated experience in management of assets of comparable size to the pool.

Ban 905.02 Oral Presentation of Proposal.

(a) The commissioner and the committee, after reviewing the submitted proposals, shall request oral presentations of those proposers who:

(1) Met the criteria in Ban 905.01; and

(2) The commissioner and the committee have voted to interview to further clarify the qualifications of the proposer.

(b) Oral presentations shall be at the expense of the bidder.

APPENDIX

Rule	**Statute**
Part Ban 901 – Part Ban 905	RSA 383:23, III

EXHIBIT C INVESTMENT POLICY AND OBJECTIVES

AUTHORIZED INVESTMENTS
NEW HAMPSHIRE PUBLIC DEPOSIT INVESTMENT POOL

The program administrator will invest available cash in the Pool exclusively in the following investments, which are investments authorized by the New Hampshire Bank Commissioner with the assistance of the Advisory Committee. Except as otherwise provided in sub-paragraph (1) under "Investment Restrictions" below, a change in authorized investments requires approval of the New Hampshire Bank Commissioner with the assistance of the Advisory Committee.

1) United States Treasury notes, bonds, or bills (fixed and floating rate) for which the full faith and credit of the United States are pledged for the payment of principal and interest, provided that Treasury floating rate notes may not exceed fifty percent (50%) of the assets of the Pool;

2) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises, limited to Fannie Mae ("FNMA"), Federal Home Loan Bank ("FHLB"), Freddie Mac ("FHLMC"), Federal Farm Credit Banks ("FFCB"), and Tennessee Valley Authority ("TVA"). Any Federal agency and GSE floating rate notes must reset no less frequently than quarterly and cannot exceed fifty percent (50%) of the assets of the Pool. The following floaters are prohibited: Range, inverse or leveraged floaters, capped floaters and Cost of Funds Index ("COFI") or Constant Maturity Treasury Index ("CMT") floaters;

3) Asset-backed securities rated AAA/Aaa by Standard and Poor's and Moody's or the equivalent short term ratings (A-1+/P-1), backed by credit card or auto loan receivables, provided that such securities may not exceed ten percent (10%) of the assets of the Pool; and no more than five percent (5%) of the Pool's assets are invested in the asset-backed securities of any one issuer;

4) State of New Hampshire and New Hampshire municipality obligations rated A-/A3 or better by Standard and Poor's and Moody's, provided that such securities have a remaining maturity less than or equal to 365 days; no more than five percent (5%) of the Pool's assets are invested in any one issuer and overall municipal obligations may not exceed twenty percent (20%) of the assets of the Pool;

5) Government money market mutual funds, provided that such investments may not exceed twenty percent (20%) of the assets of the Pool; and no more than ten percent (10%) of the Pool's assets are invested in any one fund;

6) Commercial paper rated A-1 or better by Standard and Poor's and a comparable rating by another Nationally Recognized Statistical Rating Organization ("NRSRO"); provided that its maturity may not exceed two hundred and seventy (270) days; no more than five percent (5%) of the assets of the Pool may be invested in the commercial paper of any single corporate issuer; and the entity that issues the commercial paper must have total assets in excess of five hundred million dollars ($500,000,000); ***additional restrictions apply – see Item (6) under Investment Restrictions;***

7) Bills of exchange or time drafts drawn on and accepted by a commercial bank (otherwise known as bankers' acceptances) rated A-1 or better by Standard and Poor's and a comparable rating by another

NRSRO; provided that its maturity may not exceed one hundred eighty (180) days; no more than five percent (5%) of the assets of the Pool may be invested in bankers' acceptances of any single corporate issuer; and the entity that issues the bankers' acceptances must have total assets in excess of five hundred million dollars ($500,000,000); ***additional restrictions apply – see Item (6) under Investment Restrictions;***

8) Negotiable certificates of deposits rated A-1 or better by Standard and Poor's and a comparable rating by another NRSRO for maturities less than one year; A or better by Standard and Poor's and a comparable rating by another NRSRO for maturities greater than one year; no more than five percent (5%) of the assets of the Pool may be invested in the certificates of deposit of any single corporate issuer; and the entity that issues the certificates of deposit must have total assets in excess of five hundred million dollars ($500,000,000); ***additional restrictions apply – see Item (6) under Investment Restrictions;***

9) Repurchase agreements with respect to securities described in paragraphs (1) and (2) above executed with primary dealers rated A1 or higher by Standard and Poor's (or possess a guarantee that has been reviewed by Standard and Poor's from a rated parent) or P-1 by Moody's, provided that the term of any such repurchase agreement shall be 90 days or less at the time of purchase and that repurchase agreements greater than 7 days without a Put options may not exceed ten percent (10%) of the assets of the Pool; limited to twenty five percent (25%) per counterparty for agreements with overnight maturities and ten percent (10%) per counterparty for agreements with maturities greater than 1 business day;

10) Collateralized bank deposits or certificates of deposit, provided that such investments may not exceed forty percent (40%) of the assets of the Pool; no more than ten percent (10%) of the assets of the Pool may be invested with any single issuer; acceptable collateral includes: FHLB LOC, U.S. Treasury Bills, Notes, and Bonds, fixed-rate U.S. Government Agencies, restricted to FNMA, FHLB, FHLMC, FFCB, and TVA, and tri-party agreements;

11) Certificates of deposit insured by the FDIC (Federal Deposit Insurance Corporation) or NCUA (National Credit Union Administration);

12) Debt obligations issued by corporations organized under the laws of the United States or any state. All such debt obligations purchased by the Fund shall be rated at least A or better by Standard and Poor's and a comparable rating by another NRSRO; No more than five percent (5%) of the assets of the Pool may be invested in a corporate obligation of any single corporate issuer. ***Additional restrictions apply – see Item (6) under Investment Restrictions;***

Obligations of Agencies or Instrumentalities of the United States Government Certain short-term obligations of agencies or instrumentalities of the United States Government purchased for the Pool may be backed only by the issuing agency or instrumentality and may not be backed by the full faith and credit of the United States Government. For example, Fannie Mae and Freddie Mac have agreements with the U.S. Treasury to provide them with capital in exchange for senior preferred stock. Securities issued by the Federal Home Loan Banks are supported only by the credit of the agency and not by the United States Government, and securities issued by the Federal Farm Credit System are supported by the agency's right to borrow money from the U.S. Treasury under certain circumstances.

Repurchase Agreements A repurchase agreement involves the sale of securities to the Pool and the concurrent agreement by the seller to repurchase the securities within a specified period of time at an agreed upon price, thereby establishing the yield during the buyer's holding period. The yield established for the repurchase agreement is determined by current short-term rates and may be more or less than the interest rate on the underlying securities. The securities underlying a repurchase agreement are, in effect, collateral under the agreement. Securities purchased by the Pool and subject to repurchase agreements are limited to the obligations of the United States Government and agencies of the United States, but may have maturities longer than one year. At the time a repurchase agreement is made, the underlying securities will have a market value at least equal to one hundred and two percent (102%) of the price plus the price differential. If an agreement is in effect for more than one day, the program administrator is responsible for monitoring the value of the underlying securities and, in the event their value drops below one hundred and two percent (102%) of the price plus price differential, the counterparty to the repurchase transaction is required to provide additional securities or money within one Business Day so that the value of the collateral is not less than one hundred and two percent (102%) of the price plus price differential. All securities underlying repurchase agreements are required to be delivered to the Custodian or to another custodian agreed to by the Pool and the counterparty. At the expiration of each agreement, the Custodian receives payment of the price plus price differential as a condition for the transfer of the underlying securities to the counterparty. If the counterparty fails to pay the agreed upon the price plus price differential on the repurchase date, the risks to the Pool would include any difference between the liquidation value of the underlying securities and the price plus price differential, any costs of disposing of such securities, any costs related to foreclosure, and any loss resulting from a delay in foreclosing on such securities.

The Pool's investment policies and objectives require that all Pool investments have a remaining maturity of three hundred ninety-seven (397) days or less at the time of purchase (except for floating rate and variable rate notes issued by the U.S. Government or its agencies or instrumentalities, which must have remaining maturities of 730 days or less), and that the dollar-weighted average maturity of Pool investments will not exceed sixty (60) days, and that the dollar-weighted average life (portfolio maturity computed to final maturity without regard to interest rate adjustments on investments) will not exceed one hundred and twenty days (120) days. The repurchase date of a repurchase agreement is used to determine its maturity. Debt obligations purchased by the Pool may have interest rates that are periodically adjusted at specified intervals or whenever a reference rate or index changes. These adjustable rate securities may have demand features which give the Pool the right to demand repayment of principal on specified dates or after giving a specified notice. Adjustable rate securities and securities with demand features that meet the definition of "Adjustable Rate Government Securities" in Rule 2a-7 of the Investment Company Act of 1940 Rules and Regulations may be deemed to have maturities shorter than their stated maturity dates.

The Pool is not registered as an investment company under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) and, accordingly, is not subject to the provisions of the Investment Company Act of 1940 and the rules and regulations promulgated thereunder including rules relating to registered money market mutual funds.

Since the yield on the Pool may fluctuate daily, Investors should consult with their counsel or financial adviser as to the appropriateness of investing proceeds of tax-exempt bonds in the Pool in the event that covenants with bondholders or provisions of the Internal Revenue Code restrict the yield on investment of the bond proceeds.

The authorizing statute, charter, or bylaws of a Public Entity or the trust indenture or ordinance or resolution under which the debt obligations of a Public Entity are issued or its funds are invested, may contain investment restrictions which prohibit or otherwise limit investment in one or more of the above-described investments. Accordingly, the Public Entity should consult with their legal counsel or financial adviser regarding the legality of investing bond proceeds in the Pool prior to participating in the Pool or investing in the Shares issued by the Pool.

Investment Restrictions

The following investment restrictions and fundamental policies, which, except as otherwise provided in (1) below, may be changed only by approval of the New Hampshire Bank Commissioner with the assistance of the Advisory Committee. The Pool will not:

1) Purchase any securities other than those described above under "Authorized Investments" unless changed by the New Hampshire Bank Commissioner with the assistance of the Advisory Committee.
2) Invest in securities of any issuer in which an Advisory Committee member, Officer, employee, agent or adviser of the Pool is an officer, director or ten percent (10%) shareholder unless such investment is periodically authorized by resolutions adopted by the New Hampshire Bank Commissioner with the assistance of the Advisory Committee members who are not officers, directors or ten percent (10%) shareholders of such issuer.
3) Make loans, except that the Pool may enter into repurchase agreements.
4) Borrow money or pledge, hypothecate or mortgage its assets to an extent greater than twenty percent (25%) of the market value of the total assets of the Pool, and then only as a temporary measure for extraordinary or emergency purposes to facilitate withdrawal requests which might otherwise require untimely dispositions of portfolio securities. All such borrowings may be secured only by the assets of the Pool and must be repaid before the Pool makes any additional investments. Interest paid on such borrowings will reduce net income of the Pool.
5) Purchase the securities of any single issuer (other than obligations issued and guaranteed as to principal and interest by the government of the United States, its agencies or instrumentalities) if, as a result, more than ten percent (10%) of the Pool's total assets would be invested in the securities of any one issuer.
6) Invest no more than seventy-five percent (75%) of the assets of the Pool in a combination of the following Short Term Investments: Commercial Paper, Negotiable Certificates of Deposit, Corporate Debt Obligations and Banker's Acceptances;
7) Invest more than 10% of net assets in illiquid investments. Illiquid investments are securities that cannot be sold or disposed of in the ordinary course of business at approximately the value ascribed to it by the Pool. Illiquid investments include:
    - Restricted investments (those that, for legal reasons, cannot be freely sold).
    - Fixed time deposits with a maturity of more than seven days that are subject to early withdrawal penalties.
    - Any repurchase agreement maturing in more than seven days and not terminable at approximately the carrying value in the Trust before that time.
    - Other investments that are not readily marketable at approximately the carrying value in the Trust.

    If the 10% limitation on investing in illiquid securities is adhered to at the time of investment, but later increases beyond 10% resulting from a change in the values of the Pool's portfolio securities or total assets, the Pool shall then bring the percentage of illiquid investments back into conformity as soon as practicably possible. The Pool believes that these liquidity requirements are reasonable and appropriate to assure that the securities in which the Pool invests are sufficiently liquid to meet reasonably foreseeable redemptions of Shares.
8) Daily liquidity: Maintain a minimum 10% asset allocation in cash/U.S. Treasury securities, or securities that can be converted to cash/mature within one business day.
9) Weekly liquidity: Maintain a minimum 30% asset allocation in cash/U.S. Treasury securities, certain government agency securities (Discount Notes that mature within 60 days or less) or securities that can be converted to cash/mature within five business days. Any percentage limitation or rating requirement described under "Authorized Investments" will be applied at the time of purchase.

FORM NUMBER P-37 (version 12/11/2019)

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name		1.2 State Agency Address	
1.3 Contractor Name		1.4 Contractor Address	
1.5 Contractor Phone Number	1.6 Account Number	1.7 Completion Date	1.8 Price Limitation
1.9 Contracting Officer for State Agency		1.10 State Agency Telephone Number	
1.11 Contractor Signature Date:		1.12 Name and Title of Contractor Signatory	
1.13 State Agency Signature Date:		1.14 Name and Title of State Agency Signatory	
1.15 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)* By: Director, On:			
1.16 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)* By: On:			
1.17 Approval by the Governor and Executive Council *(if applicable)* G&C Item number: G&C Meeting Date:			

2. SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

9. TERMINATION.

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. INDEMNIFICATION. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the Contractor, or subcontractors, including but not

limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.
14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $1,000,000 per occurrence and $2,000,000 aggregate or excess; and
14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.
14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.
14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.
15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation")*.
15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. CHOICE OF LAW AND FORUM. This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

EXHIBIT E REFERENCE QUESTIONS

1. Who do you work with at the Proposer's firm?
2. Have you had a good experience working with that person at the firm?
3. Please describe the firm's strengths and weaknesses.
4. Are your pool members satisfied that the firm has successfully met the objectives of the pool?
5. How responsive is the Proposer's firm to inquiries from pool members?
6. Does the Proposer's firm demonstrate a high level of knowledge related to 2a7-like pools?

TITLE XXXV
BANKS AND BANKING; LOAN ASSOCIATIONS; CREDIT UNIONS

CHAPTER 383
BANK COMMISSIONER

Public Deposit Investment Pool

Section 383:22

383:22 Public Deposit Investment Pool. –

I. The commissioner shall, with the assistance of the advisory committee created under RSA 383:24, establish and operate, beginning on January 1, 1992, a public deposit investment pool, for the purpose of investing funds of the state, and funds under the custody of governmental units, pooled risk management programs established pursuant to RSA 5-B, agencies, authorities, commissions, boards, political subdivisions and all other public units within or instrumentalities of the state.

II. The public deposit investment pool shall be operated under contract with a private investment advisor, approved by the bank commissioner and advisory committee. The commissioner and advisory committee shall choose an investment advisor by requesting proposals from advisors and reviewing such proposals based on criteria adopted by rule under RSA 383:23.

III. The commissioner shall make available to prospective depositors detailed information on the public deposit investment pool, similar to that information generally contained in a securities prospectus. The commissioner shall also ensure that periodic statements of accounts and reports on holdings are provided to pool participants relative to their proportionate share of the pool.

IV. The commissioner shall cause an independent audit of the pool to be conducted on an annual basis. The auditor shall be selected by the advisory committee.

Source. 1991, 268:1, eff. Aug. 9, 1991.

Section 383:23

383:23 Rulemaking. –

Prior to January 1, 1992, the commissioner shall, with the approval of the advisory committee, adopt rules, pursuant to RSA 541-A, relative to:

I. Formulation of a disclosure policy and materials to be included in a prospectus and in periodic reports to participants, including:

(a) A written statement of policy and pool objectives;

(b) Investment objectives designed to meet the pool objectives;

(c) A description of eligible investment instruments;

(d) The credit standard of investment;
(e) Allowable maturity range of investments;
(f) The limits of portfolio concentration permitted for each type of security;
(g) Safekeeping practices;
(h) Definition of pool participant eligibility;
(i) Disclosure of size of accounts, size of transactions and administrative costs; and
(j) Instructions for establishing and utilizing accounts.

II. Investment and administrative policies, practices and restrictions, including the frequency and method used for calculating valuation, yields and earnings.

III. Requests for proposals from investment managers and criteria for reviewing such proposals.

Source. 1991, 268:1, eff. Aug. 9, 1991.

Section 383:24

383:24 Advisory Committee. –

I. There is established an advisory committee on the public deposit investment pool, consisting of the following members:
(a) The state treasurer.
(b) The commissioner of the department of revenue administration or designee.
(c) Two members appointed by the New Hampshire Government Finance Officers Association.
(d) Two members appointed by the New Hampshire Bankers Association.
(e) One county finance officer appointed by the New Hampshire Association of Counties.
(f) One city finance officer, appointed by the New Hampshire Municipal Association.
(g) One school district finance officer, appointed by the New Hampshire School Boards Association.

II. The advisory committee shall assist and advise the commissioner on the establishment and operation of the investment pool, including:
(a) Formulating the disclosure policy.
(b) Determining eligible investment vehicles.
(c) Establishing performance standards.
(d) Monitoring the outflow of funds from financial institutions.
(e) Determining compliance with written investment policies.
(f) Conducting periodic reviews of the public deposit investment pool.

Source. 1991, 268:1, eff. Aug. 9, 1991.